

TBR POLICY

Date: April 6, 2004

From: Anthony P. Iriti
Mayor

Jacqueline J. Schroeder, P.E.
Chief Engineer

To: Developers, Consulting Engineers, etc.

RE: Project Bonding

After a recent review of the City Code and past department policy as they relate to bonding of To Be Reimbursed (TBR) projects, the City of Findlay is hereby issuing the following policy changes and reminders effective immediately. A TBR project is any project for which the City will be reimbursed for inspection time, such as subdivisions and site plans extending City utilities and certain private projects with sewer laterals greater than 100' in length.

Engineer's Estimate

Currently, Engineer's Estimates are required at the time of submittal for review by the City Planning Commission. Often, these estimates are preliminary and do not accurately reflect actual construction costs. As a result, subdivisions are sometimes under-bonded, leaving the City at risk should we be required to draw on the performance bond in order to complete work.

With the issuance of this policy, a Final Engineer's Estimate, based upon the actual as-bid costs from the contractor, will be required prior to posting performance bonds. Also included with the Final Engineer's Estimate shall be a report of the construction quantities for all improvements constructed for acceptance as publicly owned and maintained. A sample Final Engineer's Estimate and list of Construction Quantity Reporting Requirements have been included herein for reference.

Guaranty Agreement

The standard Guaranty Agreement, as attached, has been changed and approved by the City Law Director. The guaranty agreement now contains the following statement regarding notification of work:

“We further agree that any work performed without proper notification is subject to verification testing at our expense prior to the release of bonds.”

Bonds

The Bond

Per City Code, a guaranty of completion, hereinafter referred to as “bond” may be submitted in the following forms: cash, certified check, irrevocable letter of credit (LOC), or performance bond issued by a surety company. The following items must be included in an acceptable bond:

- Project Name and phase
- Name, address, phone number of issuing institution
- Name, address of applicant
- Bonded amount, as specified on Final Engineer's Estimate
- Statement specifying City as beneficiary
- Statement that bond is payable upon presentation of signed statement by Chief Engineer, that developer has failed to complete improvements as required
- Expiration date concurrent with City acceptance of improvements and release of bond by City Auditor
- Minimum one year duration for Underground and Above Ground Bonds, two year duration for Asphalt Bond

Bond Expiration

The City of Findlay will track expiration dates of bonds. Sixty days prior to the expiration date of the bond, the City will deliver notice to the issuing institution and the applicant of the pending expiration and the need to renew. Should the bond not be renewed by thirty days prior to the expiration date, the City will begin proceedings to draw on the bond. Upon the expiration date of an un-renewed bond, the City shall issue a Stop Work Order.

Underground Bond

Work included in the Underground Bond shall include sanitary sewer, storm sewer, and waterline construction including applicable testing, rough site grading and detention pond construction. Prior to the release of any Underground Bond, the items listed on the TBR Checklist included herein must be completed, in addition to any requirements specific to the improvement.

Above Ground Bond

Work included in the Above Ground Bond shall include curb & gutter, underdrain installation, subgrade compaction, aggregate pavement base, asphalt base course, subdivision boundary monumentation installed and clearly identified for review by City, curb ramps and sidewalks as required, finish grading of rights-of-way, seeding and mulching. Prior to the release of any Above Ground Bond, the items listed on the TBR Checklist included herein must be completed, in addition to any requirements specific to the improvement.

Asphalt Bond

Work included in the Asphalt Bond shall include pavement monumentation and the surface course of asphalt, to be placed 10-14 months after placement of base course. Base asphalt, curbing, curb ramps, and sidewalks must also remain in an acceptable condition or any damaged areas shall be repaired to the City's satisfaction. The asphalt bond shall be posted at the same time as the Underground and Above Ground Bonds, but must have a minimum duration of two years. This change has been made to minimize damage to the surface course of asphalt caused by construction vehicles.

Inspection Fees

Inspection fees shall be posted for the entire development prior to beginning construction. The Final Engineer's Estimate shall contain the estimated number of days that inspection will be needed. Inspection Fees shall be posted at a rate of \$275.00 per day. The required posted fee has increased to cover hourly charge rates for the inspectors. The project will be charged at a rate equal to the hourly charge rate of the inspector, including wages and benefits. Should the actual cost of the inspection exceed the posted amount, the party posting the fees will be billed for the additional amount. Should there be unused inspection fees, the balance will be returned to the party that posted the original inspection fees.

Inspection fees have not been adjusted since 1996, when they were increased from \$125/day to \$200/day. Wages and benefits for City Inspectors have increased since 1996, necessitating the changes. In the future, inspection fees will be adjusted as required to cover inspection costs.

Notification

The contractor/developer shall notify the Engineering Department when work is to begin, when the contractor will return to the jobsite after an extended absence, or when work is to be done outside of regular working hours (evening, weekends). Notification shall be made to the Engineering Department by phone at 419-424-7121 or fax at 419-424-7120.

Work performed without notification will require verification testing as directed by the Engineer. Verification testing may include core testing, spot excavation, density testing, etc., depending on the items being verified. The developer or contractor shall hire a testing firm that is pre-qualified by the Ohio Department of Transportation to perform the required testing. Test results shall be certified by the testing firm to the City of Findlay. All costs associated with verification testing shall be the developer's or contractor's responsibility. Work items found to be insufficiently constructed shall be replaced or corrected to the satisfaction of the Engineer prior to the release of bonds.

The issuance of this policy is an effort to streamline the TBR process and protect the City and its citizens in the event of default of a contractor or developer. With a clear-cut policy, all parties know what to expect as they approach the construction of a new subdivision or site.

Please do not hesitate to address any questions or concerns you may have regarding this policy to Jackie Schroeder, Chief Engineer, or other members of the Engineering Department.